ACE
ASEAN CONFEDERATION OF EMPLOYERS

ACE POLICY POSITION PAPER ON

SKILLS MOBILITY, RECOGNITION, AND DEVELOPMENT FOR MIGRANT WORKERS

A POLICY POSITION PAPER OF THE ASEAN CONFEDERATION OF EMPLOYERS: SKILLS MOBILITY, RECOGNITION AND DEVELOPMENT FOR MIGRANT WORKERS IN ASEAN

INTRODUCTION

The ASEAN Confederation of Employers (ACE) serves as the leading regional body representing employer organisations across ASEAN member states. Since its establishment in 1978, ACE has played a vital role in fostering business collaboration, advocating for policies that enhance workforce competitiveness, and promoting sustainable economic growth. Its membership spans small and medium-sized enterprises (SMEs) to multinational corporations, actively shaping labour policies, workforce development strategies, and migration frameworks within ASEAN. Given the region's diverse economic structure, some countries are net countries of origin for migrant workers, while others are net countries of destination. ACE's involvement in addressing skills mobility, recognition, and development is crucial to fostering a competitive and well-functioning regional labour market.

The ACE Policy Paper on Skills Mobility, Recognition, and Development for Migrant Workers presents employer perspectives on advancing skills-based labour migration to foster inclusive, responsive, and efficient labour markets. This policy position paper offers practical recommendations for both policymakers and employers' actions, aimed at strengthening cross-border workforce mobility and skills certification systems.

CONTEXT

The ASEAN region has experienced substantial growth in labour migration over the past three decades, with both sending and receiving countries playing key roles in regional workforce mobility. As of 2024, ASEAN's international migrant stock had reached 11.03 million people, representing 6.8% of the global migrant stock (United Nations Department of Economic and Social Affairs, 2024).[1] Simultaneously, ASEAN also acts as a labour-sending region, with many workers migrating to high-income economies such as South Korea, China, Japan, and the Gulf Cooperation Council (GCC) countries in search of better opportunities (United Nations Department of Economic and Social Affairs, 2024).[1]

Currently, the vast majority of labour migration within the ASEAN region is through low-skilled labour migration pathways for low and semi-skilled jobs. According to the International Labour Migration Statistics Database in ASEAN (International Labour Organization, 2025)[2] , Brunei shows a relatively balanced skill distribution among migrants, while Indonesia relies heavily on medium-skilled roles. In contrast, Malaysia and Thailand depend significantly on low-skilled migrant labour, with high-skilled employment remaining minimal - only 8.9% in Malaysia and 4.1% in Thailand. This concentration of migrant workers in semi-skilled jobs is notable as both Malaysia and Thailand currently lack functioning semi-skilled labour migration pathways as Memorandums of Understanding (MOUs) and admission policies mostly facilitate low-skilled migration (International Organization for Migration & International Labour Organization, forthcoming).[3]

[1] United Nations Department of Economic and Social Affairs, P. D. (2024). International Migrant Stock 2024.
[2] International Labour Organization. (2025). International Labour Migration Statistics Database in ASEAN (ILMS) [Data set]. (https://www.ilo.org/resource/other/international-labour-migration-statistics-database-asean-ilms

The demand for skilled and semi-skilled migrant workers will continue to be influenced by demographic shifts, economic expansion, and evolving market needs. One of the primary drivers of this demand is ASEAN's aging population, particularly in Thailand, Singapore, and Malaysia, where the need for healthcare and eldercare professionals is increasing (International Labour Organization, 2024a).[4] The demand for migrant caregivers and domestic workers is expected to rise significantly in the coming decades, especially as countries enhance their long-term care systems (International Labour Organization & Chulalongkorn University, Forthcoming).[5]

In addition to the healthcare sector, ASEAN's construction industry continues to rely heavily on migrant labour, with growing investments in urbanization and infrastructure development. The digital transformation in ASEAN is another major trend shaping labour mobility, with countries like Vietnam experiencing rapid growth in the digital economy (Dharmaraj, 2025).[6] The increasing demand for IT professionals, cybersecurity experts, and AI specialists has created regional migration pathways for skilled workers from less digitally advanced ASEAN countries to technology-driven economies.

SIGNIFICANCE OF THE SKILLS MOBILITY, RECOGNITION, AND DEVELOPMENT

Skills Mobility refers to the ease with which workers' skills are recognized and utilized across borders within ASEAN (International Labour Organization, 2018).[7] For employers, skills mobility is essential for addressing labour shortages and ensuring that businesses have access to the talent they need to remain competitive (Parpart, 2016[8]; Testaverde et al., 2017[9]). The World Bank projected that a 3% increase in migrant worker flows from developing to high-income countries by 2025 could generate $356 billion in global economic gain (World Bank, 2006) , representing a 0.6% increase in global income. These benefits are particularly significant for developing countries, which could see a 1.8% increase in aggregate income, compared to a 0.4% increase for high-income countries.

[3] International Organization for Migration, & Internatonal Labour Organization. (forthcoming). Skills Mobility, Recognition, and Development for Migrant Workers in ASEAN,

[4] International Labour Organization. (2024a). Care work and labour migration in ASEAN Thematic background paper for the 17th ASEAN Forum on Migrant Labour. https://www.ilo.org/sites/default/files/2024-12/ilo%20-%2017th%20AFML%20background% 20paper%20A4%202024-12-24.pdf

[5] International Labour Organization, & Chulalongkorn University. (Forthcoming). Care at home: Projecting Thailand's national and migrant labour demand for home-based eldercare.

[6] Dharmaraj, S. (2025). Vietnam: Digital Transformation of Administrative Systems. OpenGov. https://opengovasia.com/2025/02/07/vietnam-digital-transformation-of-administrative-systems/

[7] International Labour Organization. (2018). Guidelines concerning statistics on international labour migration. 20th International Conference of Labour Statisticians.

[8] Parpart, E. (2016). Skills shortage Bangkok Post. https://www.bangkokpost.com/business/general/1101001/skill-shortage

[9] Testaverde, M., Moroz, H., Hollweg, C. H., & Schmillen, A. (2017). Migrating to Opportunity Overcoming Barriers to Labor Mobility in Southeast Asia. https://openknowledge.worldbank.org/server/api/core/bitstreams/9ff7a1e3-318e-521e-9b3b-35650b14e65e/content

[10] World Bank. (2006). Global Economic Prospects: Economic Implications of Remittances and Migration. https://documents1.worldbank.org/curated/en/507301468142196936/841401968_200510327112047/additional/Global-economic-prospects-2006-economic-implications-of-remittances-and-migration.pdf

[11] International Labour Organization. (2010). Guidelines for Recognizing the Skills of Returning Migrant Workers. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@ifp_skills/documents/meetingdocument/wcms_144619.pdf

Skills Recognition is the result of the *"formal assessment of the portfolio of evidence; confirmation that skills acquired internationally correspond fully to specified Regional Model Competency Standards (RMCS) units or national units of competency"* (International Labour Organization, 2010[11]) For workers, it validates competencies acquired through formal, informal, or international experience, enhancing employability, job matching, and career mobility. For employers, it reduces recruitment costs, avoids redundant training, and ensures a more efficient allocation of talent. Nationally and regionally, skills recognition supports labour market integration, particularly for migrants, and helps address skills shortages in key sectors (International Labour Organization, 2020a).[12]

Skills Development refers to "the development of skills or competencies which are relevant to the workforce" (UNESCO-UNEVOC/NCVER, 2009).[13] It encompasses a wide range of activities for employment and/or self-employment (International Labour Organization, 2020b).[14] An effective use of skills within the workplace can support businesses in transitioning toward higher value-added activities, thereby enhancing overall performance. Jobs that make better use of workers' skills are typically more productive, offer better wages, and contribute to improved social and economic well-being outcomes (Organisation for Economic Co-operation and Development & International Labour Organization, 2017).[15]

Therefore, ensuring a well-functioning system for skills mobility, recognition, and development is essential for bridging workforce gaps, improving job matching, and maximizing economic benefits. Strengthening skills mobility, recognition and development frameworks and enhancing regional cooperation will be crucial in facilitating smoother labour migration processes, protecting migrant workers' rights, and addressing labour market shortages effectively.

POLICY FRAMEWORK: EXISTING INSTRUMENTS, AGREEMENTS, AND PREVIOUS EMPLOYERS' POLICY POSITIONS

The ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers (2017) and the Vientiane Declaration on Skills Mobility, Recognition, and Development for Migrant Workers (2024) form the cornerstone of ASEAN's framework for skills-based migration. While the ASEAN Consensus emphasizes human resource development, reintegration, and training for migrant workers, the Vientiane Declaration sets out a more structured and forward-looking agenda. It is built around three pillars: (1) Skills Mobility and Recognition in Recruitment and Admission Policies, (2) Skills Development, Assessment, and Certification, and (3) Fair Recruitment and Decent Work.

The Vientiane Declaration envisions a system where migrant workers' skills are recognized during recruitment, developed and certified during employment abroad, and acknowledged upon return. It calls for embedding skills recognition frameworks into migration and recruitment policies, expanding Bilateral Labour Migration Agreements (BLMAs) and Memoranda of Understanding (MOUs) to facilitate semi-skilled migration, and ensuring equal access to certification and training opportunities. Special emphasis is placed on gender-responsive policies in sectors such as caregiving and domestic work, where formal recognition of skills has been limited.

[12] International Labour Organization. (2020a). How to facilitate the recognition of skills of migrant workers: Guide for employment services providers.https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_protect/@protrav/@migrant/documents/publication/wcms_748721.pdf

[13] UNESCO-UNEVOC/NCVER.(2009).TVET glossary:some key terms. https://unevoc.unesco.org/home/TVETipedia+Glossary/show=term/term=Skills+development#start

[14] International Labour Organization. (2020b). Skills development and lifelong learning: Resource guide for workers' organizations. . https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_761035.pdf

To support regional mobility, ASEAN has developed mechanisms including the ASEAN Qualifications Reference Framework (AQRF), Mutual Recognition Arrangements (MRAs), and the Mutual Recognition of Skills (MRS), with MRS being particularly applicable to semi- and low-skilled occupations.

Complementing these instruments, the ASEAN Confederation of Employers (ACE) has emphasized the importance of employer leadership in skills development. Its 2015 policy paper advocated for evidence-based decision-making grounded in labour market data, greater alignment between skills recognition and industry standards, and the strengthening of soft skills, including English language proficiency, to enhance employability and reduce underemployment across the region (ASEAN Confederation of Employers, 2015).[16]

METHODOLOGY AND DATA COLLECTION

This policy paper was developed using a structured methodology that combines desk reviews of existing policies and frameworks, stakeholder consultations, and validation processes. The study incorporates insights from interviews with the ASEAN Secretariat, focus group discussions (FGDs) with employer organizations, and a validation workshop with the ACE members. This comprehensive approach ensures that the findings and recommendations are well-informed, evidence-based, and aligned with employers' perspectives and needs.

CHALLENGES IN SKILLS MOBILITY, RECOGNITION, AND DEVELOPMENT FOR MIGRANT WORKERS IN ASEAN

SKILLS MOBILITY

- **National Restriction, Visa Fragmentation, and High Recruitment Costs.**

Reconciling national labour market priorities with the broader goals of regional integration remains a critical policy challenge (Parpart, 2016; Testaverde et al., 2017). The ASEAN Economic Community's (AEC) vision for seamless regional labour mobility is hindered by inconsistent visa and work permit systems across member states (ILO Regional Office for Asia and the Pacific & Asian Research Center for Migration, 2013).[17] While some countries have streamlined visa issuance processes, others retain complex and bureaucratic requirements.

> **"Many skilled migrant workers take low-skilled jobs due to visa restrictions. Recognizing their actual qualifications could optimize contributions."**
>
> (ASEAN Employers' Focus Group, 2024)

[15] Organisation for Economic Co-operation and Development, & International Labour Organization. (2017). Better use of skills in the workplace: Why it matters for productivity and local jobs. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@ifp_skills/documents/publication/wcms_618785.pdf

[16] ASEAN Confederation of Employers. (2015). Skills matching and labour mobility: A policy position paper of the ASEAN Confederation of Employers. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@asia/@ro-bangkok/@sro-bangkok/documents/publication/wcms_408004.pdf

High recruitment costs, including fees, travel, and visa expenses, which are often time-consuming and amount to several months' wages (ILO Regional Office for Asia and the Pacific & Asian Research Center for Migration, 2013; International Labour Organization, 2024b)[18] further exacerbate exploitative and irregular migration risks and turnover in ASEAN migration corridors.

"A major challenge is administrative bottlenecks, which make migration costly."

(ASEAN Employers' Focus Group, 2024)

• **Language and Training Barriers Limit Workforce Integration and Protection.**
Language and training barriers remain a key barrier to the effective integration and protection of migrant workers. Limited language proficiency restricts access to information on rights, responsibilities, and workplace safety (United Nations Network on Migration in Thailand, 2024).[19] Although English serves as the region's working language, disparities in fluency among member states continue to hinder access to employment and training opportunities (Asian Development Bank, 2015).[20]

• **Limited Employer Representation in Skills Mobility Policymaking.**
Employer engagement in skills mobility policymaking across ASEAN remains limited. Employers have expressed concerns about their insufficient representation in policy discussions related to skills mobility. This lack of sustained engagement inhibits the full utilization of employers' technical expertise, which is critical for shaping responsive and practical skills mobility frameworks. Consequently, this gap can lead to a misalignment between skills policies and actual industry needs, reducing the effectiveness of mobility initiatives.

SKILLS RECOGNITION

• **Redundant Assessments and Persistent National Barriers.**
Despite continued efforts to advance regional skills recognition, several structural barriers persist across the ASEAN region. Fragmented legal and regulatory frameworks, the absence of harmonised standards and curriculum, as well as protectionist policies and capacity constraints, have all slowed the progress of skill recognition in the region. These challenges not only erode trust in certification and qualification systems but also deter investment in upskilling and reskilling. As a result, workers with accredited qualifications from their home countries are often required to undergo redundant assessments upon arrival in the host country. At the same time, employers face difficulties verifying foreign credentials, contributing to delays and inefficiencies in the recruitment process.

[17] ILO Regional Office for Asia and the Pacific, & Asian Research Center for Migration, I. o. A. S., Chulalongkorn University,. (2013). Regulating recruitment of migrant workers: an assessment of complaint mechanisms in Thailand. http://www.ias.chula.ac.th/wp-content/uploads/2020/04/research-2012-01-01-9-preview.pdf

[18] International Labour Organization. (2024b). Enhancing the effectiveness of legal pathways for labour migration in ASEAN: Thematic background paper for the 16th ASEAN Forum on Migrant Labour https://www.ilo.org/sites/default/files/2024-11/ilo%20-%2016th%20AFML%20background%20paper%20A4_with%20new%20blurb_1.pdf

"The differences in skills assessment and qualifications across ASEAN member states makes it difficult for employers to apply the skill recognition framework effectively."

(ASEAN Employers' Focus Group, 2024)

- **Challenges of the AQRF, MRAs, and MRS**
  - **AQRF:Limited Implementation of the AQRF.** ASEAN's qualifications harmonization efforts—through the AQRF, MRAs, and MRS—face implementation gaps. The AQRF is voluntary, leading to uneven adoption, especially in countries with weak or absent National Qualifications Frameworks (NQFs), causing recognition inconsistencies (Sakamoto, 2019).[21] Employers often bypass ASEAN-level credentials in favour of domestic or global ones, citing uneven quality assurance and recognition practices (Asian Development Bank, 2015).

  - **MRAs: Limited Scope and Uneven Implementation of MRAs.** MRAs cover seven professions and one sector—accounting, engineering, nursing, architecture, surveying, dentistry, medicine, and tourism—but have had limited real-world impact (Mendoza & Sugiyarto, 2017).[22] Regulatory bottlenecks and weak institutional capacity hinder full implementation (Pachanee et al., 2019).[23] Despite MRAs, professionals face duplicative tests and country-specific requirements—e.g., Malaysia requires architects to retest, and Thailand mandates local language tests (Asian Development Bank, 2015). The limited implementation of the MRAs continues to pose a significant barrier to professional mobility across the region. Many skilled workers are still required to complete duplicative certification and licence processes in host countries (Te et al., 2018).[24]

"Despite having multiple MRAs and MRS, implementation remains challenging. Many employers and workers circumvent the system due to constitutional impediments and regulatory misalignments, which limit mobility."

(ASEAN Employers' Focus Group, 2024)

[19] United Nations Network on Migration in Thailand. (2024). Thailand Migration Report 2024. https://thailand.iom.int/sites/g/files/tmzbdl1371/files/documents/2024-12/thailand-migration-report-2024.pdf

[20] Asian Development Bank. (2015). Achieving Skill Mobility in the ASEAN Economic Community: Challenges, Opportunities, and Policy Implications. https://www.migrationpolicy.org/sites/default/files/publications/ADB-MPI-Issue%20Paper-November2015-FINAL.pdf

[21] Sakamoto, A. (2019). Enhancing the Mobility and Skills of Migrant Workers through Skills Recognition in ASEAN. 9th ADBI-OECD-ILO Roundtable on Labour Migration in Asia,

[22] Mendoza, D. R., & Sugiyarto, G. (2017). The long road ahead: Status report on the implementation of the ASEAN mutual recognition arrangements on professional services. https://www.adb.org/sites/default/files/publication/224101/long-road-ahead.pdf

[23] Pachanee, C.-a., Te, V., Miyashita, Y., Law, K., Khunakorncharatphong, A., & Hill, P. S. (2019). ASEAN mutual recognition arrangements for doctors, dentists and nurses. https://iris.who.int/bitstream/handle/10665/327146/9789290227267-eng.pdf?sequence=1&isAllowed=y

[24] Te, V., Griffiths, R., Law, K., Hill, P. S., & Annear, P. L. (2018). The impact of ASEAN economic integration on health worker mobility: a scoping review of the literature. Health Policy and Planning, 33(8), 957-965. https://doi.org/10.1093/heapol/czy071

[25] ASEAN Secretariat. (2024). Vientiane Declaration on Skills Mobility, Recognition, and Development https://asean.org/wp-content/uploads/2024/10/22a-Final_Vientiane-Declaration-on-Skills-Mobility-Recognition-and-Development.pdf

"We still lack effective mutual recognition agreements with key receiving countries…We should expedite bilateral agreements to enhance implementation."

(ASEAN Employers' Focus Group, 2024)

- **MRS: MRS Holds Greater Relevance for Migrant Workers in ASEAN but Faces Recognition Barriers.** The MRS is more applicable to the semi-skilled workforce, which constitutes the majority of ASEAN migrants (ASEAN Secretariat, 2024) , yet their credentials face mismatched standards and complex recognition processes across countries. These inconsistencies deter cross-border credentialing and discourage skills-based career advancement. Without simplified and harmonized recognition pathways for technical and semi-skilled workers, ASEAN's broader vision of inclusive labour mobility and integrated economic development remains difficult to realise.

• **Employers' Limited Awareness and Engagement.**
A lack of employer awareness regarding skill recognition frameworks, particularly among small and medium-sized enterprises (SMEs), further hampers implementation. Many mployers remain unfamiliar with ASEAN's Mutual Recognition of Skills (MRS) framework and Technical and Vocational Education and Training (TVET) certification programs, preventing them from fully leveraging these frameworks and programs for hiring skilled migrant workers.

"Many employers, particularly small and medium-sized enterprises, have limited knowledge of the Mutual Recognition of Skills (MRS) and certification programme."

(ASEAN Employers' Focus Group, 2024)

SKILLS DEVELOPMENT

• **Persistent Gaps in Education, Training, and Skills Assessment Across Countries.**
Significant disparities in access to education, vocational training, and standardized skills assessment systems persist across ASEAN member states. While larger enterprises are more likely to invest in workforce development, small and medium-sized enterprises (SMEs) often lack the financial resources, capacity, or incentives to do so (ERIA/OECD, 2024). These challenges are even more pronounced for migrant and rural workers, who face additional barriers such as language difficulties, limited access to digital learning platforms, and insufficient institutional support.

- **Limited or Inaccessible Skills Development Schemes for Migrant Workers.**

Most migrant workers in ASEAN enter low- or semi-skilled jobs, they often face limited access to recognition of prior learning (RPL) and upskilling or reskilling opportunities . In many ASEAN member states, the lack of enabling legal frameworks and inclusive training pathways significantly restricts migrant workers potential for career progression and exacerbates skills shortages in critical sectors. Moreover, the temporary nature of migrant employment often discourages investment in their development, particularly among small and medium-sized enterprises (SMEs), which may perceive training short-term workers as economically unjustifiable.

- **Persistent Gender and Social Inclusion Disparities in Skills Development.**

Despite advancements in regional skills frameworks, significant gaps in gender equality and social inclusion continue to persist across ASEAN. Women migrant workers, especially those employed in informal sectors such as domestic work and caregiving, frequently encounter barriers to accessing formal skills training and recognition systems. These disparities limit their opportunities for upskilling, career advancement, and full participation in the labour market.

POLICY RECOMMENDATIONS

EMPLOYERS' RECOMMENDATIONS TO POLICYMAKERS

SKILLS MOBILITY

- **Simplifying Skill Mobility and Reducing Barriers and Restrictions.**

The ACE strongly advocate for the removal of regulatory and legal obstacles that hinder skills mobility. This includes simplifying visa and work permit processes, reducing recruitment costs, and promoting fair and transparent recruitment practices. Additionally, harmonising standards—such as curricula, training, licensing, and competency benchmarks—across member states will help create smoother pathways for cross-border employment and further enhance skills mobility within ASEAN.

- **Leverage Technology to Strengthen Labour Market Information Systems.**

The ACE urges the governments to leverage advancements in digital technology to enhance labour market information across Member States. Key initiatives include the development of integrated or centralised ASEAN labour mobility platforms, featuring job portals and credential verification systems. Creating an interactive database with real-time data on skills shortages, job vacancies, and mobility pathways will significantly improve skills mobility, address gaps, and optimise skills matching. Furthermore, establishing platforms such as the ASEAN Skills Recognition Information Portal (ASRIP) would represent a crucial step toward greater regional cooperation and transparency.

[26] Recognition of Prior Learning (RPL) is "a process by which the prior learning of an individual, obtained through formal, informal or non-formal learning, is validated against a number of set criteria and assigned credit value." International Labour Office. (2018). Recognition of Prior Learning (RPL): Learning Package. Pre-departure training provides "essential information to migrant workers prior to their departure, covering topics such as workers' rights and responsibilities, the destination country's culture, laws, and policies, access to support services and complaints mechanisms, remittance practices, and return and reintegration processes." ILO Regional Office for Asia and the Pacific. (2014). Pre-departure training curriculum : Viet Nam to Malaysia : facilitator's manual.
https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@asia/@ro-bangkok/@sro-bangkok/documents/publication/wcms_314221.pdf

- **Promote Active Collaboration through Multi-Stakeholder Engagement Platforms.**

To ensure responsive and coherent policy development, governments should support and institutionalise regular multi-level engagement forums, including policy roundtables, technical workshops, and sector-specific consultations. These platforms would not only promote stakeholders' engagement but would also foster collaboration among key stakeholders including government agencies, employer organisations, trade unions, training institutions, and international partners to help align regulatory frameworks with industry needs, build mutual trust, and support consensus on critical issues including regulatory framework for skills mobility, qualification-framework alignment, and fair recruitment standards.

SKILLS RECOGNITION

- **Enhance Skills-Recognition Processes in the Recruitment Procedure.**

The ACE calls for a streamlined, employer-led skills-recognition process embedded in the recruitment procedure. It will reduce duplicative testing, lower administrative and compliance burdens, and enhance efficiency in cross-border hiring. Employers can shorten lead times, improve job matching, and maximise the productive contribution of migrant talent.

- **Broaden Skills Recognition Frameworks and Strengthen Implementation.**

Many employers contend that the existing skills recognition frameworks are too narrow and fail to capture the complexities of ASEAN's evolving labour markets. To address this gap, ACE recommends expanding these frameworks to encompass industries and occupations with high labour mobility, such as construction, domestic work, and caregiving. Effective implementation will require harmonising licensing procedures, streamlining administrative processes, and minimising redundant assessments across ASEAN member states. Additionally, promoting Recognition of Prior Learning (RPL) mechanisms is essential to ensure that migrant workers' informal and non-formal skills are properly assessed and certified, thereby enhancing their employability and career prospects.

- **Align Standards and Harmonised Skills Recognition Pathways,**

including for technical and semi-skills workers. The ACE recommends that ASEAN member states fully harmonise their national qualification systems with the ASEAN Qualifications Reference Framework (AQRF). To effectively bridge skills gaps, the ACE calls for the alignment of occupational standards between countries of origin and destination through the Mutual Recognition Scheme (MRS). Furthermore, bilateral partnerships should incorporate mutual recognition agreements, joint certification protocols, and robust data-sharing mechanisms on labour market demand to facilitate seamless skills mobility and ensure workforce relevance across the region.

SKILLS DEVELOPMENT

• **Promote Employer-Driven Sector-Specific Labour-Demand Assessment.**
The ACE urges governments to institutionalise employer-driven sector-specific labour-demand assessments to improve alignment between education supply and market demand, minimise skills mismatches, and support inclusive, productivity-enhancing growth across the region. As part of this effort, it is equally important that governments consider providing funding and technical support for the development of robust skills frameworks. Such frameworks would serve as essential foundations for coherent workforce planning, training design, and long-term national resilience.

• **Promote Equal Access to Skills Development in Destination Countries.**
ACE strongly advocate for equal and non-discriminatory access to skills development opportunities for both local and migrant workers. Incentives for employer-led training should be extended to migrant workers and their employers on the same basis as for nationals, in line with the principle of non-discrimination. Collaborative partnerships between employers, vocational training institutions, and civil society organisations can deliver modular, stackable training programs tailored to workplace needs while enabling the development of portable credentials. These programs should also include essential skills such as language proficiency, digital literacy, and financial literacy, particularly as part of pre-departure orientation and reintegration support.

• **Strengthen and Harmonise Technical and Vocational Education and Training (TVET) Systems and Invest in Digital and Lifelong Learning Infrastructure.**
The ACE urges the governments to improve the quality and relevance of the TVET institutions and programs by involving employers in curriculum development. ACE also proposes that governments promote access to online learning platforms and blended training models that foster lifelong learning ecosystems and enable continuous upskilling including the migrant workers.

RECOMMENDATIONS FOR EMPLOYERS' ACTION

SKILLS MOBILITY

• **Explore Broader Bilateral Collaboration to Promote Skills Mobility, Recognition, and Development.**
The ACE encourages employers to explore opportunities for bilateral labour collaboration, particularly at the sectoral or employer level, to support transparent and fair recruitment processes, promote mutual skills recognition, and strengthen coordinated skills development responses. This collaboration should be tailored to reflect the diversity of ASEAN's labour markets and address dynamic labour demands, especially in high-demand sectors beyond traditionally certified professions. By fostering inclusive approaches to skills recognition and development, such initiatives will enhance regional labour mobility, improve employment outcomes, and promote decent work in line with national priorities and capacities.

• **Effective Engagement and Participation in Regional and National Level Policy Making.**
The ACE and the national employers' organisations to strengthen their engagement at both regional and national levels to actively advocate for policy reforms that support skills mobility. This requires mobilising experienced employer representatives who are well-versed in labour mobility issues and committed to contributing time and expertise in policy dialogues. Employers should play a proactive role in shaping recruitment policies, developing skills standards, implementing Mutual Recognition Arrangements (MRAs/MRS), supporting Recognition of Prior Learning (RPL), and streamlining licensing and regulatory processes to ensure that reforms reflect real labour market needs.

SKILLS RECOGNITION

• **Encourage Employer-Led Skills Recognition and Assessment for All Workers, including Returned Migrant Workers.**
The ACE urges employers to support inclusive skills recognition mechanisms. "Employer-issued certifications" or "experience letters" could serve as practical tools to acknowledge competencies acquired across borders. Supporting the recognition of overseas experience may help improve job matching, reduce underemployment, and avoid redundant training. This initiative can contribute to aligning worker qualifications with labour market needs and enhancing reintegration efforts in both sending and receiving countries.

• **Support Knowledge-Sharing and Awareness-Raising Activities.**
The ACE will continue to support knowledge-sharing and awareness-raising initiatives to strengthen employer capacity in skills development and recognition. This includes developing and disseminating practical toolkits, concise guidance materials, and facilitating peer-learning workshops. Leveraging digital platforms for wider outreach and regional exchange will further enhance the visibility of good practices and deepen understanding of skills policy instruments.

SKILLS DEVELOPMENT

• **Invest in Skills Development for All Workers, including Migrant Workers.**
The ACE encourages employers to invest in accessible and inclusive skills development initiatives that benefit all workers, including migrant workers. Upskilling and reskilling efforts should be aligned with evolving labour market needs and embedded in national and regional policy frameworks. Such investments are critical to empowering workers, addressing persistent skills gaps, and ensuring the long-term competitiveness and resilience of ASEAN's economies.

• **Promote Gender Equality and Social Inclusion in the Workforce.**
The ACE strongly supports the integration of gender equality and social inclusion into company policies. The ACE encourages employers to address the specific needs of women and other vulnerable groups by promoting inclusive training programmes and flexible learning opportunities. Such efforts can help ensure more equitable access to upskilling, employment, and social protection.

CONCLUSIONS

This policy paper highlights the need for a coordinated and integrated approach to skills mobility, recognition, and development to support ASEAN's sustainable economic growth. As demand for skilled labour intensifies, employers play a pivotal role in shaping responsive systems that address skills mismatches and promote fair, efficient recruitment practices. ACE emphasises the importance of sustained stakeholder consultation and active employer engagement to ensure that skills mobility frameworks, such as harmonised qualification systems, effective recognition mechanisms, and inclusive workforce development strategies, are aligned with real labour market needs. Addressing persistent challenges, including fragmented policies, inconsistent accreditation, and unequal access to training, requires stronger regional collaboration. ACE therefore calls for deeper stakeholder engagement, enhanced regional cooperation, and support for employer-led labour market assessments, expanded and harmonised recognition systems, equitable training access, and inclusive, gender-responsive policies toward building a resilient and competitive ASEAN workforce.

Skills Mobility refers to the ease with which workers' skills are recognized and utilized across borders within ASEAN. ....skills mobility is essential for addressing labour shortages and ensuring that businesses have access to the talent they need to remain competitive.

Skills Recognition supports labour market integration, particularly for migrants, and helps address skills shortages in key sectors.

Skills Development refers to "the development of skills or competencies which are relevant to the workforce". An effective use of skills within the workplace can support businesses in transitioning toward higher value-added activities, thereby enhancing overall performance.

Strengthening skills mobility, recognition and development frameworks and enhancing regional cooperation will be crucial in facilitating smoother labour migration processes, protecting migrant workers' rights, and addressing labour market shortages effectively.

International Labour Organization